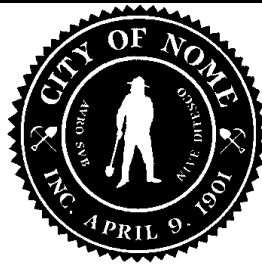


Mayor
John Handeland

Manager
Glenn Steckman

Clerk
Dan Grimmer



Nome Common Council
Mark Johnson
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MEMORANDUM

Date: March 21, 2024
To: Nome Common Council & Glenn Steckman, City Manager
From: Nickie Crowe, Finance Director
Subject: FY24 General Fund Budget Amendment Per O-24-03-02

The approach for the mid year budget amendment included an in-depth review of revenue and expense, as well as obtaining feedback from department heads on their department expenses and to determine if there was enough funding available to meet their financial needs through 6/30/24. City Manager Steckman and I met with the department heads that were most impacted to discuss the necessary changes. City Manager Steckman and I reviewed the General Fund revenue analyzing the activity in the first half of the fiscal year and taking into account rising costs and how that impacts revenue the rest of the year. Many revenue adjustments are a true up to actual revenue received. The following provides information on the budget adjustments proposed in the FY24 General Fund Budget Amendment and is meant to be used concurrently with the budget documents attached to O-24-03-02.

General Fund	Budget Adjustment Increase/ (Decrease)	Description of Budget Adjustment
General Fund Revenue:		
General Tax Collections		
REAL Property Tax	(126,516.60)	True up to City Clerk's Tax Certification less Council approved Exemption R-24-02-01
Personal Property Tax	(52.50)	True up to City Clerk's Tax Certification
Sales Tax	100,000.00	Increased based on activity
Hotel/Motel Tax	45,000.00	Increased based on activity
Sales Tax - AK Remote Sellers	50,000.00	Increased based on activity
Tax Penalties & Interest	32,000.00	Increased based on activity plus 2nd half of the year has a slower collection rate
Permits Licenses & Fees		
Vehicle/ATV License	2,500.00	Increased based on 3 year historical data average
Election Candidate Fees	(80.00)	Adjusted to Actual
Animal Licenses/Clinic	(1,000.00)	Decreased based on activity
Sales Tax Collection Licns	50.00	Increased based on activity
Bed Tax Collection License	30.00	Increased based on activity
Building Permits	36,000.00	Adjusted based on activity
Remodeling Permits	11,000.00	Adjusted based on activity
Shared Revenue/Municipal Assistance		
Muni Assist - Rev Sharing	44,452.37	Increased to Actual, Community Assistance Program payment received higher then State suggested budget
Payment in Lieu of Tax/Pilot		
PILT Unorganized Areas	27,616.16	Increased to Actual / Federal Pass Thru based on total amount of acreage in the Census Area / State of Alaska distributes it to Local Government
Port of Nome PILT	(2,781.22)	Decreased based on 10.5 mill rate
Nome School PILT	(24.03)	Decreased based on 10.5 mill rate
Bering Vue PILT	(6,000.00)	Decreased closer to PY activity

General Fund	Budget Adjustment Increase/ (Decrease)	Description of Budget Adjustment
Copies, Plat, Court Fees		
Maps, Copies, Apparel, Pubs	1,750.00	Increased based on activity
Variance, Plats, Zoning, Vacant	600.00	Increased based on activity
Records Request Fee	250.00	Increased based on activity
Public Safety Special Svs		
Police Services, Protective	(500.00)	Decreased based on low activity
Ambulance Fees	(72,000.00)	\$103k FY22 SEMT Payment; Reduced to \$185,000 Ambulance Fee Collection
Ambulance Accts-Contract Adj	32,500.00	Amend to 50% adjustment rate for billing
Recreation Center	22,300.00	Adjusted based on activity; reviewed with Director Leeper
Nome Swimming Pool	(17,250.00)	Adjusted due to Pool Closure; Estimated Re-Open April 1
Investment & Interest Earnings	30,000.00	General Fund Sweep Interest @ 4.8%, CD Investment Interest @ 2.25-5.15%
Building, Equipment, Land Lease Rents		
Equipment Rental/Use	39,000.00	Estimated Force Account Equipment Use for FEMA projects
Rent/Lease	8,500.00	Net increase based on \$120,500 RFB Rent, \$22,000 Officer Apartment, \$4,300 504 Warren Place Rent, (\$13,207) GASB 87 Adjustment per Auditor's Schedule
Donations & Contributions		
Donations - Museum	5,000.00	Museum changed from charging admissions to accepting donations from patrons
Donations - Library	2,000.00	Increased due to activity
Donations - EMS	(25,000.00)	Reduced contributions
Sale of General Fixed Assets		
Sale of Property/Easement	42,400.00	O-23-05-02 Sale To AK DOT & PF for parcels adjacent to Steadman Street for Road Project / O-23-08-01 Sale to AK DOT & PF for parcels adjacent to Seppala Drive
Sale of Equipment: Police	1,250.00	Increased due to activity
Proceeds from Issuance of a Lease, Ins		
Proceeds: Insurance	114,120.12	Mini Convention Center Property Damage (Merbok)
Fund Balance Appropriation		
Fund Bal Approp Equip/Vehicle	172,000.00	Increased for FY23 vehicle purchases rolled to FY24: 2023 F150+Outfitting Police \$82,468; 2023 Ford Transit Van Police \$77,107; Adj F24 est budget from \$60k to \$71,993 for 1 Ford Expedition Police
Fund Bal Approp	1,070,594.42	Increased based on budget activity in the General Fund/Capital Projects
Total FY24 Budget Adjustment	\$ 1,639,708.72	
General Fund Expense		
Salary & Benefit Adjustments	(402,153.31)	Each departments' salary & benefit line items were analyzed to see what would be needed to get through to 6/30/24 and budgets were adjusted accordingly. Major decreases are due to vacant positions: City Manager's office, Finance Office, Clerk's Office, Police, Public Works, Nome Recreation Center and Museum. The majority of increases are in the Fire and Ambulance Department: 1 FT Paramedic Added
Operating Adjustments	539,589.92	Significant increases include the following: Admin \$35,000 for Legal Fees, Police \$17,000 Legal for Accreditation/Consulting, \$22,000 Increased cost of Smartnet Renewal, Storage/Body Cams, hardware, \$15,000 Gas Oil; Public Works \$154,432 due to recovering from the fire; Public Works Roads \$175,000 increase to snow removal, \$85,000 to Gas & Oil, \$50,000 to vehicle parts; Smaller increases and decreases can be seen throughout the budget document.

General Fund	Budget Adjustment Increase/ (Decrease)	Description of Budget Adjustment
Non-Departmental		
Employment Security - Unemployment	(1,000.00)	Decreased due to low billing rate
Iditarod	10,000.00	Increased for Additional Contribution
Fireworks	39.00	Adjusted to Actual
Iron Dog	2,500.00	Based on discussions with the City Manager and Iron Dog
Nome Winter Sports	4,000.00	Increased due to expenses for Safety/ADA project at Hockey Rink
Land Sale/Swap/Clean/Trnsfr	10,650.00	504 Warren Place - Increase based on utility expenses. \$15,650 Utilities, \$768 Insurance, \$3000 Maintenance
Schl Fence, NACTEC Ins, Boiler	291.00	Increased to Actuals
Budget Savings	650,000.00	Removed as part of the mid year true up; Budget Amendment accounts for estimated vacancies in individual department salary & benefit accounts
Budget Adjustment	504,697.17	Removed as part of the mid year true up; City Council lowered the proposed mill rate from 11 mills to 10.5 mills; CM Steckman proposed to find savings in expense throughout the year, however this proved difficult with rising costs and capital projects that need funding.
Transfers - Interfunds		
Transfers Out - PWR Rev %	7,500.00	This is to save money toward the purchase of a CAT 160M Grader.
Transfers Out - Ambulance Rev	(50,000.00)	Item removed from the budget
Transfers Out - Vehicle Replacement	172,000.00	Increased for FY23 Activity rolled to FY24 - see Fund 14 activity
Transfers Out - Other Funds	191,594.94	Increased due to changes in Fund 13 Fund 14 - see Fund 13 & 14 activity
Total FY24 Budget Adjustment	\$ 1,639,708.72	